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ABSTRACT

In this testimony before the House Subcommittee on Housing and Community Development, the Director of Policy Analysis for the National Council of La Raza discusses the segregation and housing discrimination faced by Hispanic Americans. He contends that housing conditions for much of the Hispanic community are inadequate, due largely to low income and family size. Findings are presented on housing discrimination affecting Hispanics in Dallas (Texas), Denver (Colorado), Boston (Massachusetts), and other urban areas. Residential and school segregation for Hispanic Americans is indicated to have increased steadily in recent years. It is argued that increasing the effectiveness of fair housing laws in protecting the rights of Hispanics requires two major policy initiatives. First, the laws must be strengthened to provide expanded coverage of the handicapped and families with children and the establishment of more effective enforcement mechanisms to resolve complaints. Timely passage of the Fair Housing Amendments Act is urged. Second, implementation of the Fair Housing Initiatives Program (FHIP) is recommended with provisos to support systematic study of discrimination against Hispanics, funding for Hispanic groups interested in fair housing activities, and availability of bilingual materials and personnel to inform the Latino community about equal housing opportunities and complaint procedures. (AF)

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TESTIMONY ON SEGREGATION AND HOUSING DISCRIMINATION IN THE HISPANIC COMMUNITY

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Before:

Subcommittee on Housing and Community Development
Committee on Banking, Finance and Urban Affairs
United States House of Representatives

February 4, 1988

NATIONAL COUNCIL OF LA RAZA

UD 027946

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STATEMENT OF CHARLES KAMASAKI
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I. INTRODUCTION

Mr. Chairman and members of the Subcommitte, my name is Charles Kamasaki, and I am Director of Policy Analysis for the National Council of La Raza, one of the nation's largest Hispanic organizations. The Council is a private nonprofit organization, headquartered in Washington, D.C., which represents more than 80 local Hispanic community-based organizations in 32 states, the District of Columbia and the island of Puerto Rico.

We are pleased that the Subcommittee is holding hearings on the segregation of minorities in this country. The issue of segregation and the problems of housing discrimination often do not receive the attention they deserve. Further, we note that the issue of housing discrimination is usually discussed only in the context of racial bias. While the data clearly show that Black Americans continue to face severe housing discrimination, too little attention has been focused on similar problems faced by Hispanic Americans. Therefore, we sincerely appreciate this opportunity to appear before you today to present our views on this serious and persistent problem.

II. HOUSING CONDITIONS

Housing conditions for much of the Hispanic community are inadequate. An unpublished Department of Housing and Urban Development (HUD) study showed that in 1983 about one-third of all Hispanic households live in physically inadequate or overcrowded housing, compared to only one-tenth of White households.

The affordability of housing is a more critical problem for Hispanics than housing quality. The lower a household's income, then the higher the proportion of income that must be spent on housing. According to a forthcoming study for the National Council of La Raza by Cushing N. Dolbeare, very-low-income households typically spend well over half their incomes for shelter, including utilities.

In 1983, the median income of all Hispanic households was $15,115. The median Hispanic family homeowner income was $22,100, compared to $11,100 for Hispanic renters. About one-quarter of Hispanic households with incomes under $10,000 per year were homeowners; 45% of all Hispanic howneowners had

incomes below $20,000, as did 79% of Hispanic renters.

That year, some 28% of all Hispanic households had incomes below the poverty level and the income of one household in ten was less than half the poverty level. As a result, one Hispanic household in ten paid more than 70% of their income for housing, and two in five spent more than 30% of their income for housing.

One factor which contributes to Hispanic housing problems is the lack of adequate rental housing for families with children and large families. In 1986, 26.6% of Hispanic families had five or more members, compared to 13.7% of non-Hispanic families.

The 1985 Current Population Survey shows that over 75% of Hispanic families had three or more persons, a rough proxy for the presence of children, compared to less than 60% of non-Hispanic families.

A 1980 HUD study found that 25.5% of all rental units in the United States did not allow children, and another 50% had policies which restricted the ability of families with children to rent the units. Such restrictions included limits on the number of children who could occupy a unit, limits on the number of units in an apartment complex where families with children could reside, limits on the age of child occupants, and prohibitions on children of the opposite sex sharing the same bedroom. Thus Hispanics face housing problems, resulting from low income and family size.

III. DISCRIMINATION AND SEGREGATION

A. Housing Discrimination

Hispanics are both disproportionately poor and inadequately housed, but low income alone cannot fully explain the poor housing conditions in which many Hispanics live. According to a 1983 internal HUD study:

> When common factors contributing to housing deprivation are taken into account, differences in housing conditions among Whites, Blacks, and Hispanics are narrowed somewhat, but sizeable differences still remain... Blacks and Hispanics are twice as likely as Whites to be either inadequately housed or overcrowded, even when they have similar financial resources.

It is clear that factors other than income are partially responsible for poor Hispanic housing conditions. One of these factors is housing discrimination. While there has been considerably less research on the nature and extent of housing discrimination against Hispanics than on

discrimination against Blacks, the available data show that housing discrimination against Hispanics is pervasive. The following subsections describe research findings on housing discrimination and Hispanics in selected urban areas.

1. Dallas

A 1979 HUD "audit" in Dallas was the first HUD research to focus on the extent of housing discrimination against Hispanics. It had often been assumed that Hispanics would suffer less than Blacks from housing discrimination for two reasons: Hispanics were a smaller subpopulation, and the income of Hispanic renters was substantially greater than that of Black renters. The results of the audit showed otherwise.

The Dallas study found that 42% of dark-skinned Mexican Americans and 16% of light-skinned Mexican Americans were given false information on the availability of rental units. The chance of dark-skinned Mexican Americans experiencing at least one instance of discrimination in a typical housing search was 96%, and the probability of light-skinned Mexican Americans experiencing similar discrimination was about 65%.

The incidence of discriminatory treatment against dark-skinned Mexican Americans was found to be far greater than that against either Blacks or light-skinned Mexican Americans. Discriminatory treatment against dark-skinned Mexican Americans regarding availability of a unit was two and one-half times as great as that against either Blacks or light-skinned Mexican Americans. Furthermore, discriminatory treatment against dark-skinned Mexican Americans on terms and conditions of the contract was also far greater.

2. Denver

A 1982 HUD-funded study in Denver also found evidence of housing discrimination against Hispanics. When teams of White, Black and Hispanic auditors were sent out to homes that were advertised for sale, the White auditors received considerably more information when they asked about homes similar to the advertised house in the same general area or in other locations. One in three Hispanic auditors was told that there were no homes available which were similar to the advertised home and in the same general area, compared to one in five White auditors. Furthermore, 60% of Hispanic auditors were told of no similar homes in other areas, compared to 31% of White auditors. These differences in the degree to which Hispanic and White auditors were informed of housing alternatives were sizeable and

statistically significant.

Discrimination against Hispanics regarding housing availability was not found to be as widespread in the rental housing market, but some differences in the treatment of Hispanic and White auditors strongly suggest discrimination. For example, Hispanic auditors were twice as likely as Whites to be told that the advertised units were unavailable, and also twice as likely not to be told of other rental housing possibilities which might meet their needs. In neither case, however, were the differences statistically significant.

3. Boston

A Boston telephone survey found major differences in treatment of Whites and minorities. In a HUD funded-study in 1981, a telephone survey was done of selected realtors who were advertising units for rent. The test teams consisted of three persons: one that would normally be identified by voice as White, one as Black, and one as Hispanic. In all 42 tests that were conducted, the White testers were invited to come to the office to be shown a unit, while Black and Hispanic testers were informed that no units were available 31 times.

Site visits were carried out on 47 firms including those that were already covered by the telephone survey and continued to advertise units for rent. In 23 of 47 tests only the White testers were shown units while Black and Hispanic testers were told nothing was available.

4. Other Studies

A 1986 HUD-funded study in Phoenix found evidence of discriminatory rental practices against both Blacks and Hispanics. In 13% of the audits, Blacks and Hispanics were asked to pay higher rents and deposits while Whites were given a variety of rental inducements.

Other surveys finding evidence of housing discriminaiton were performed in Houston and in San Jose, California. In both cases, Blacks encountered more discrimination than Hispanics. In 1973, a Houston audit found that at "White-occupied" apartment complexes, Black auditors encountered at least one form of discriminatory treatment in 42% of their visits, compared to 10% for Hispanic auditors. A 1978 study in San Jose found that Black auditors encountered some form of discriminatory treatment in 58% of their visits, compared to 20% for Hispanic auditors.

Finally, a recent telephone survey by the Lawyers Committee for Civil Rights Under Law in Washington, D.C. was done in the District of Columbia,

Virginia and Maryland with both Hispanic and White testers. They found that Hispanics encountered at least one form of discriminatory treatment 20% of their calls.

B. Hispanic Residential Segregation

A recent report written by Professor Gary Orfield for the Joint Center for Political Studies on school segregation trends in the 1980s shows a constant growth in the isolation of Hispanics, with segregation becoming increasingly severe in virtually all parts of the country and in almost every period in the sixteen years that national data have been collected. Dr. Orfield concludes that:

> While Black segregation has remained about the same under Presidents Ford, Carter, and Reagan, Hispanic segregation has been growing steadily since the late 1960s when it was first measured nationally.

Among Hispanics, the data clearly show that the Puerto Ricans are the most segregated and the most disadvantaged groups. A 1981 article written by Dr. Douglas Massey points out that residential segregation among Hispanics is higher in New York than anywhere else in the country.

It is generally true that both school and residential segregation are linked together. In Dr. Orfield's study on school segregation, he found that 85% of the Hispanic students in New York State attended predominantly minority schools. Of this, 59% of the state's Hispanic students were in intensely segregated schools that were 90-100% minority.

Two other states show a high and rapidly increasing segregation. Three-fourths of California's Hispanic students and 68% of those in Florida attend schools where less than half the students are White.

The precise relationship between the incidence of discrimination and the levels of segregation in various communities is not known. Clearly, however, reductions in the levels of segregation cannot take place without reductions in the scope and degree of housing discrimination.

IV. POLICY RESPONSES TO HOUSING DISCRIMINATION

A. Fair Housing and Hispanic Complaints

Federal fair housing laws need more effective enforcement mechanisms to resolve housing discrimination complaints and to expand coverage to families with children and the disabled. But additional efforts specifically focused on Hispanics are also essential to effectively address housing discrimination against Hispanics.

The Fair Housing Amendments Act of 1987 which is pending in Congress is limited to improving the effectiveness of the enforcement process after a complaint is filed. It does not, however, address the need for action to increase the likelihood that Hispanics encountering housing discrimination will file complaints. Despite evidence of pervasive housing discrimination against Hispanics, HUD data reveal that Hispanics tend to file very few complaints. According to the data:

- From Fiscal Year 1980 through Fiscal Year 1985, formal complaints filed with HUD-certified fair housing state and local agencies by Blacks alleging discrimination totaled 14,172, while such complaints from Hispanics totaled 1,328, a ratio of about 11:1; yet the Black population is only about 37% larger than the Hispanic population.
- This pattern was consistent over the six-year period. The ratio of Black-to-Hispanic complaints exceeded 10:1 in every year except Fiscal Year 1983 (9:1).

There are several possible reasons for this differential. The Black population is somewhat larger, and some of the above-cited studies suggest that in some markets, Blacks are more likely to encounter discrimination than Hispanics. It is also possible that Blacks are more likely to encounter overt forms of discrimination than Hispanics, and are therefore more likely to know that they have been discriminated against. However, these factors do not fully explain the extent of the difference in complaints.

Hispanics are less likely to file civil rights complaints in general, and fair housing complaints in particular. Several important reasons for this have been suggested. First, many Hispanics may not have a complete understanding of their rights; and second, all but the most blatant forms of housing discrimination frequently are not recognized as illegal discrimination by the victims. Some examples of subtle forms of housing discrimination, e.g., "steering," false information on the availability of rental units, and differential treatment in lending practices, are difficult for a victim to identify.

Furthermore, the weak enforcement mechanism in the present fair housing law may contribute to the low numbers of complaints filed by Hispanics. The lengthy period required to reach conciliation and the lack of any real redress to the victim may deter Hispanic victims from filing complaints. In

addition, rental agents and realtors are aware that they are not likely to be penalized for practicing illegal housing discrimination, and therefore, are not often deterred from discriminating. These factors may limit confidence within the Hispanic community in the HUD conciliation process, thus reducing the number of complaints.

Language differences may exacerbate the above-cited factors. HUD no longer publishes brochures explaining fair housing laws in languages other than English, thus reducing the ability of limited-English proficient persons to understand their rights under the law. Limited-English proficiency may also hinder Hispanic from fully understanding what realtors or rental agents are telling them, thus limiting their ability to detect discrimination.

Another often ignored factor that helps to explain differences in the propensities of Blacks and Hispanics to file civil rights complaints is the disparity in the relative strength of civil-rights-oriented institutions in the two communities. The Black community has a long and proud tradition of strong, active civil rights groups such as the NAACP and the National Urban League, which inform Black Americans of their rights. Their counterparts in the Hispanic community are much younger, have fewer resources, and in many cases are much more fragile.

The lack of strong civil rights-oriented Hispanic institutions is expecially true with respect to fair housing, and HUD has not been effective in addressing this problem. A review of HUD grants to public and private fair housing groups reveals that very few grants have gone to groups emphasizing services to the Hispanic community. Moreover, HUD has not carried out a single fair housing initiative focusing on Hispanics since the 1979 Dallas survey. To the extent that building the capacity of state and local groups is at least partially a function of the availability of resources, it is not surprising that there are few strong local fair housing groups focusing on fair housing for Hispanics.

HUD has also been negligent in ensuring that bilingual personnel are available at critical in the complaint process, including: (1) the Fair Housing Division "800" telephone number victims of housing discrimination anywhere in the country can call in for information; and (2) in the fair housing division of the regional offices where complaints are filed.

B. Potentially Effective Policy Responses

While HUD has not focused on Hispanic fair housing needs, potentially

effective mechanisms for addressing housing discrimination against Hispanics do exist. The Fair Housing Enforcement Demonstration Project, sponsored by HUD and the National Committee Against Discrmination in Housing (NCDH), provides some insight into ways in which increased anti-discrimination activity can be generated. Under the Demonstration Project in 1981, small grants were provided to nine local fair housing groups to conduct fair housing testing and a limited amount of outreach and public information.

By all accounts, the Demonstration Project was successful, and resulted in a series of impressive achievements:

- In each area participating in the project, complaints rose dramatically. There was also a relatively high rate of success in complaint resolution.
- During the two-year period of the project, HUD recorded a dramatic increase in complaints (from 4,000 to 5,300); over 50% of this increase occurred in areas where the demonstration was being conducted.
- A modest amount of federal funding generated an extremely high level of activity. It is estimated that each dollar of project funding generated two to three dollars in activity by the local groups.

The activities carried out under the Demonstration Project clearly address many of the factors contributing to the low level of fair housing complaints by Hispanics. The local groups increased awareness of housing discrimination, provided counseling and technical assistance in filling complaints, and established a strong institutional presence in their respective communities.

C. Fair Housing Initiatives Program

The National Council wishes to thank and congratulate Chairman Gonzalez for the inclusion of the Fair Housing Initiatives Program (FHIP) in the recent housing authorization bill (S. 825). As the Chairman will recall, the statutory language in H.R. 4 and S. 825 as passed by the other body was nearly identical. There was substantial controversy, however, over the report language. In short, S. 825's report language made explicit reference to "guidelines" included in the housing bill considered by the other body in the 99th Congress (S. 2507). The problem with the other body's report language, as the Chairman is well aware, is that the "guidelines" included in S. 2507 would have rendered the FHIP program ineffective. The specific

concerns that we and other civil rights organizations had with the "guidelines" are described in the attached letter from the Leadership Conference on Civil Rights. Moreover, the "guidelines" were the product of a secret deal between the National Association of Realtors and HUD.

With the assistance of Chairman St. Germaine and the Chairman of this Subcommittee, explicit references to the S. 2507 guidelines were removed from the Statement of Managers accompanying the housing conference report.

While we are pleased that the issue was favorably resolved in conference, we are understandably concerned about the future implementation of the FHIP program. We are especially concerned because there is some evidence that the industry groups still maintain unhealthy relationships with HUD on Fair Housing-related issues. A recent Los Angeles Times article, which is attached to this testimony, raises serious questions regarding HUD's ability to implement the program in a fair and equitable manner.

V. CONCLUSIONS

The National Council of La Raza believes that strengthening the effectiveness of fair housing laws in protecting the rights of Hispanics requires two major policy initiatives. First, the strengthening of the fair housing laws is crucial, and must include an expansion of coverage to include the handicapped and families with children, and establishing more effective enforcement mechanisms to resolve complaints. Hispanics, particularly families with children, need timely resolution of their complaints, and typically cannot afford remedies which require them to take individual legal action. Therefore, we urge the Chairman and the Subcommittee to support timely passage of the Fair Housing Amendmants Act.

However, the new legislation alone will not be sufficient. Given the analysis cited above, showing that few Hispanics tend to file discrimination complaints, it is essential that the implementation of the FHIP program be responsive to the needs of the Hispanic community. We make three specific recommendations in this respect.

First, we need to work with the Appropriations Committee to obtain funding in FY 1988 to implement FHIP. As the Chairman knows, S. 825 was acted on after consideration of the Continuing Resolution; thus, no FHIP appropriation was included in the bill. We urgently request the assistance of the Chairman and the Subcommittee in securing funding for FHIP this year.

Second, we urge the Subcommittee to carefully monitor the development

of implementing regulations for FHIP. Given the history of the FHIP program, and the allegations in the Los Angeles Times article, we are concerned that HUD may seek to impose the S. 2507 "guidelines" through regulation. We hope that the Subcommittee and the civil rights community can work together to ensure that the regulations do not impede the effective implementation of FHIP.

Finally, we suggest that, given the relative lack of Hispanic-focused research, the absence of Hispanic fair housing organizations, and the unavailability of bilingual materials and staff at HUD, we believe that the FHIP program should include an explicit Hispanic focus; specifically, we recommend:

- Support for systemic testing including Hispanic, White, and Black teams, in various locations, to provide more empirical data on the scope and degree of discrimination against Hispanics.
- Funding to Hispanic groups interested in fair housing activities, to support outreach and public education, receiving and recording of complaints, conducting of tests, and referral of documented complaints to HUD.
- Availability through HUD of all necessary bilingual materials and personnel in order to inform the Latino community about their equal housing opportunities and about complaint procedures.

The enactment of the Fair Housing Initiatives Program creates a major new opportunity to document and reduce housing discrimination against minorities. However, this opportunity could be lost or severely damaged, unless the FHIP is adequately funded and fairly implemented.

We thank the Subcommittee for this opportunity to present our views, and pledge to work closely with you in your fight against invidious housing discrimination against minorities and other protected groups. I would be happy to answer any questions you have.